

# Education and Workforce Development Cabinet

## Kentucky's jobless rate falls in October

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**Contact Information:** Kim Saylor Brannock  
(502) 564-1207  
[KimS.Brannock@ky.gov](mailto:KimS.Brannock@ky.gov)

**Editor's Note:** Preliminary October and revised September labor market information are included in this release.

FRANKFORT, Ky. (Nov. 24, 2008) — Kentucky's seasonally adjusted preliminary unemployment rate for October 2008 dropped to 6.8 percent from September 2008's revised 7.1 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. October 2007's jobless rate was 5.4 percent.

The U.S. seasonally adjusted jobless rate rose from 6.1 percent in September 2008 to 6.5 percent in October 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

"Retrenchment by consumers, weakness in the automobile industry and fallout from the housing and financial crises continued to weigh on Kentucky's economy in October 2008. The manufacturing, construction, and trade, transportation and utilities sectors were particularly hard hit. The decline in the unemployment rate reflects individuals who have faced long-term unemployment becoming discouraged and dropping out of the labor force," said Justine Detzel, OET chief labor market analyst.

Six of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported employment increases in October 2008, while five decreased, according to OET. A decline of 3,400 jobs in October 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,862,100. Since October 2007, Kentucky's nonfarm employment has dropped by 12,400.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies and state-owned hospitals, gained 2,700 positions between September 2008 and October 2008. The sector has grown by 10,000 jobs since October 2007 with roughly half of those positions in local government.

The educational and health services sector grew by 1,000 jobs in October 2008. Since last October, the number of jobs in this sector has risen by 300 jobs. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional

organizations, rose by 700 jobs in October 2008. This sector had 200 more jobs in October 2008 than in October 2007.

The number of positions in the natural resources and mining sector rose by 200 in October 2008. The sector has gained 900 jobs since October 2007 because of hiring in the coal mining industry.

The number of jobs in the financial activities sector increased by 200 in October 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has lost 1,200 positions over the past 12 months.

“This marks the first increase in employment in the financial activities sector since February 2008. The real estate and rental and leasing industry accounted for the job gains from September 2008 to October 2008,” said Detzel. “However, the year-over-year employment losses are indicative of the battered housing market and restrictive credit conditions impacting Kentucky.”

Kentucky’s leisure and hospitality sector reported an employment gain of 200 jobs in October 2008. Since October 2007, employment in the sector has declined by 2,700 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

The manufacturing sector lost 4,400 jobs in October 2008. Compared to October 2007, jobs in the sector were down by 15,500 in September 2008.

“This is the seventh time this year manufacturing employment has fallen. The durable goods subsector accounted for these job losses, reflecting layoffs at two automobile parts manufacturers and the closings of a plumbing manufacturer and an appliance motor manufacturer,” Detzel said.

“The woes of the automobile industry are reverberating through Kentucky’s economy with shock waves felt by employees, automobile parts suppliers and non-manufacturing enterprises such as railroads and trucking companies faced with a reduction of cargo. In contrast, the non-durable good subsector exhibited an increase in employment, which is indicative of expansions at an aluminum foil manufacturer and a plastics parts manufacturer.”

The construction sector recorded 2,400 fewer positions in October 2008. Since October 2007, employment in the construction sector has decreased by 4,300 positions.

Kentucky’s trade, transportation and utilities sector dropped by 1,200 jobs in October 2008. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 390,200 employees. Since October 2007, the number of jobs in this sector has jumped by 2,600.

“Transportation, warehousing and utilities enterprises accounted for the majority of the decline in the number of jobs. Retail trade businesses also exhibited sizeable employment losses, which is indicative of multiple retail store closings,” Detzel said.

The number of jobs in the professional and business services sector dropped by 300 in October 2008. This area had 2,100 fewer employees in October 2008 than in October 2007. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support management, including temporary help agencies.

The information sector decreased by 100 jobs in October 2008. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has lost 600 positions since October 2007.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for October 2008 was 1,905,975 on a seasonally adjusted basis. This figure is up 4,260 from the 1,901,715 employed in September 2008, but down 29,219 from the 1,935,194 employed in October 2007.

The monthly estimate of the number of unemployed Kentuckians for October 2008 was 138,693, down 7,030 from the 145,723 Kentuckians unemployed in September 2008, but up 29,246 from the 109,447 unemployed in October 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for October 2008 was 2,044,668. This figure is down 2,770 from the 2,047,438 recorded in September 2008, but up 27 from the 2,044,641 recorded for October 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at [www.workforce.ky.gov](http://www.workforce.ky.gov).

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.